

**CHAPTER NO. 196**

**SENATE BILL NO. 1357**

**By Cohen**

Substituted for: House Bill No. 1167

By McMillan

AN ACT To amend Tennessee Code Annotated, Section 56-7-1202 and Section 56-7-1201, relative to uninsured motor vehicle coverage.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-7-1201(d), is amended by adding the following new sentence:

With regard to a claim against a governmental unit, political subdivision or agency thereof, the limitations of liability established under applicable law shall be considered as limits collectible under a liability insurance policy.

SECTION 2. Tennessee Code Annotated, Section 56-7-1202, is amended by deleting paragraph (4) from subsection (b), and renumbering the remaining paragraphs accordingly.

SECTION 3. Tennessee Code Annotated, Section 56-7-1202, is amended by adding a new subsection (c) as follows:

(c) Notwithstanding any other provision of law, the applicable limits of liability for a governmental unit, political subdivision or agency thereof for claims arising out of the operation of a motor vehicle shall be considered as liability coverage available under a valid and collectible insurance policy.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 10, 1999

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 19th day of May 1999

  
DON CONQUIST, GOVERNOR